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STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2 SESSION 2015 / 2016

BMG 1034 CORPORATE BUSINESS ETHICS

(All Sections / Groups)

10 March 2016
9.00 a.m. to 11.00 a.m.
TWO (2) HOURS

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of **FIVE (5)** pages including cover page
2. There are **TWO (2)** sections in this paper.
SECTION A - Answer **ALL** questions.
SECTION B - Answer **ALL** questions.
3. **ALL** answers should be written in the answer sheets provided.

Section A

Answer **ALL** questions. You are encouraged to include detailed explanation, personal opinions and examples to illustrate your answer.

1. Describe 4 (**FOUR**) ethical issues in marketing and provide example for each

(10 Marks)

2. Explain 4 (**FOUR**) consumer rights and provide example for each.

(10 Marks)

3. Discuss Triple Bottom Line (TBL) and 3 (**THREE**) sense making impact with examples.

(10 Marks)

4. Elaborate on the concept of Whistleblower and explain 3 (**THREE**) characteristics of a whistleblower

(10 Marks)

(Total 40 Marks)

Section B - Short Cases

Answer **ALL** Questions. You are encouraged to include detailed explanation, personal opinions and examples to illustrate your answer.

Case 1

Business Ethics down the drain? Some say AIG bonus fiasco proves it?

By Jed Boal / Source: KSL.com

SALT LAKE CITY -- The U.S. government spent hundreds of billions to bail out failing businesses, and executives took home bonuses again. Americans are steamed.

"They didn't have control over the bailout to begin with, and now they're being rewarded for failure," said Thom Hall, certified financial planner with the Financial Strategies Institute.

Continued...

Hall says AIG likely wrote the executive contracts before the bailout, so the company must pay. "We're seeing some real frustration right now because when this bailout was passed, they didn't build in safeguards to prevent this type of thing as part of the deal," Hall said.

He believes the AIG bonuses are among the unintended consequences of not putting restrictions on the bailout money. "The government made a decision to bail this company out and didn't set safeguards in place is what's put us where we are right now," he said.

But, can business ethics change? And what role do business schools play in training the leaders of tomorrow?

"What we need to learn from this is that managers need to be not just clever. That is to say, they don't just need technical skills, but they need to be wise. They have to have good judgment," said Harris Sondak, professor of management at the David Eccles School of Business.

Sondak says in recent decades, business schools focused on two major assumptions: The purpose of the business is to make money, and the individuals who make up the business are self-interested.

He suggests if the manager has good judgment and wisdom, not just skill and cleverness, and judgment is prevalent in the company, no one manager is indispensable. If no one is indispensable, then no one demands a multimillion-dollar bonus.

"I think that we should be outraged," Sondak said. "Even if they had succeeded, they wouldn't have been indispensable. And in fact, they didn't succeed."

In a statement Monday, Utah Congressman Jim Matheson called the bonuses indecent and said the lack of accountability for the money is one reason he voted against the bank bailout in the fall.

Question 5

Identify the ethical issues above, affected stakeholder, provide one solution and support the solution with one ethical theory.

(10 Marks)

Continued...

Question 6

This situation can be related to leadership issues. Explain 4 leadership styles and identify one leadership style needed for the above situation.

(10 Marks)

Question 7

The above situation indicates the requirement for an organization to have a superior corporate governance policy. Identify 5 (FIVE) principles of good corporate governance which can be used to develop the corporate governance policy.

(10 Marks)

(Total 30 Marks)

Case 2**Apple Finds Human Rights Violations in Supply Chain**

By Chilton Tippin in Communication / Source: Signalnews.com

Eight months after the suicides of 14 laborers at Foxconn's Shenzhen factory in China, information is surfacing that Apple's supply chain is still fraught with human rights violations.

In its own audit, Apple found bribery, underage workers, chemical-related health problems, and falsifications of ID's and payroll documents.

In 18 facilities Apple's audit revealed a system in which workers were made to pay recruitment fees that bonded them to a modern-day indentured servitude. In these cases, workers passed through a network of hiring agencies to attain employment. Sub-agencies would recruit workers from villages in places like Vietnam or Cambodia, and pass them from agency to agency until factories hired them in Taiwan, Malaysia, or Singapore. "By the time the worker has paid all fees across these agencies, the total cost can equal many months' wages, forcing workers into debt to gain employment," according to the audit.

Auditors also found 10 factories that hired workers under the age of 16, which is the youngest age for employment in China. Underage hires totaled 91 across all factories. In many instances, managers at the factories were unaware that the laborers hired were underage. Recruitment is often funneled through agencies and vocational colleges which provide false identifications to those who need the work.

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Auditors also unearthed four instances in which factories falsified payroll documents to reflect higher wage payouts to workers.

While Apple has taken most of the heat from grim practices in overseas factories, it is commendable that it publishes the findings. The audit noted that Apple ceased business relations with several plants that would not comply. In addition, the company shelled out \$3.4 million to help educate workers who had been injured or exploited on the job. In comparison to Apple's revenue reports, \$3.4 million wanes. But at least it's something. If anything, the audit should make us wonder—what are the conditions in the plants of other tech firms, which are less transparent, less rich, and haven't yet been drug into the spotlight for human rights abuses?

Question 8

Identify the ethical issues above, affected stakeholder, provide one solution and support the solution with one ethical theory

(10 Marks)

Question 9

Discuss Donaldson's approach to developing corporate guidelines for above situation.

(6 Marks)

Question 10

Elaborate DeGeorge's 7 Moral guidelines developed for organization that intends to invest in a foreign country.

(14 Marks)

(Total 30 Marks)

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